



April 19, 2023

Introduction to Affordable Housing



Agenda

- 1. What is HPD?**
- 2. NYC's housing crises**
- 3. How the City protects tenants and promotes housing affordability**
- 4. Types of affordable housing**

Icebreaker

**What borough is your
Community District in?**

Icebreaker

**What Community
Boards do you
represent?**

***Drop your CB in the
chat***

Icebreaker

**Where is the best place
in your district to spend
a nice spring day?**

***Drop your answers in
the chat***

What is HPD?

NYC Housing Preservation and Development (HPD)

NYC Housing Preservation and Development's mission

1. **Ensure housing quality**
2. **Preserve existing affordable housing & create new affordable housing**
3. **Engaging New Yorkers to Build and Sustain Neighborhood Strength and Diversity**



HPD ensures housing quality

Last year HPD's Office of Enforcement and Neighborhood Services:

- Responded to **580,000** housing complaints
- Conducted **738,000** inspections
- Issued **731,000** housing violations
 - **13,000** heat and hot water violations
 - **15,000** lead-based paint violations



Mayor's Management Report for FY 2022

HPD preserves and creates affordable housing

- HPD preserves affordability of existing homes in exchange for financial support
- HPD finances the construction of new homes
 - On public sites
 - On private sites (by owner's request)



71-27 65th St in Glendale, Queens

Building received HPD financing for \$5 million in upgrades in exchange for preserving affordability

HPD engages New Yorkers

- HPD does comprehensive neighborhood planning to stabilize and strengthen communities
- HPD conducts outreach and education about tenant and homeowners' rights
- HPD works with local communities to shape the development of affordable housing on public land



1

NYC's Housing Crises

**What are some of NYC's
overlapping housing crises?**

Our housing problems



Housing costs are too high for most New Yorkers



There aren't enough available homes



Maintaining quality housing is expensive



Limited housing and neighborhood choice

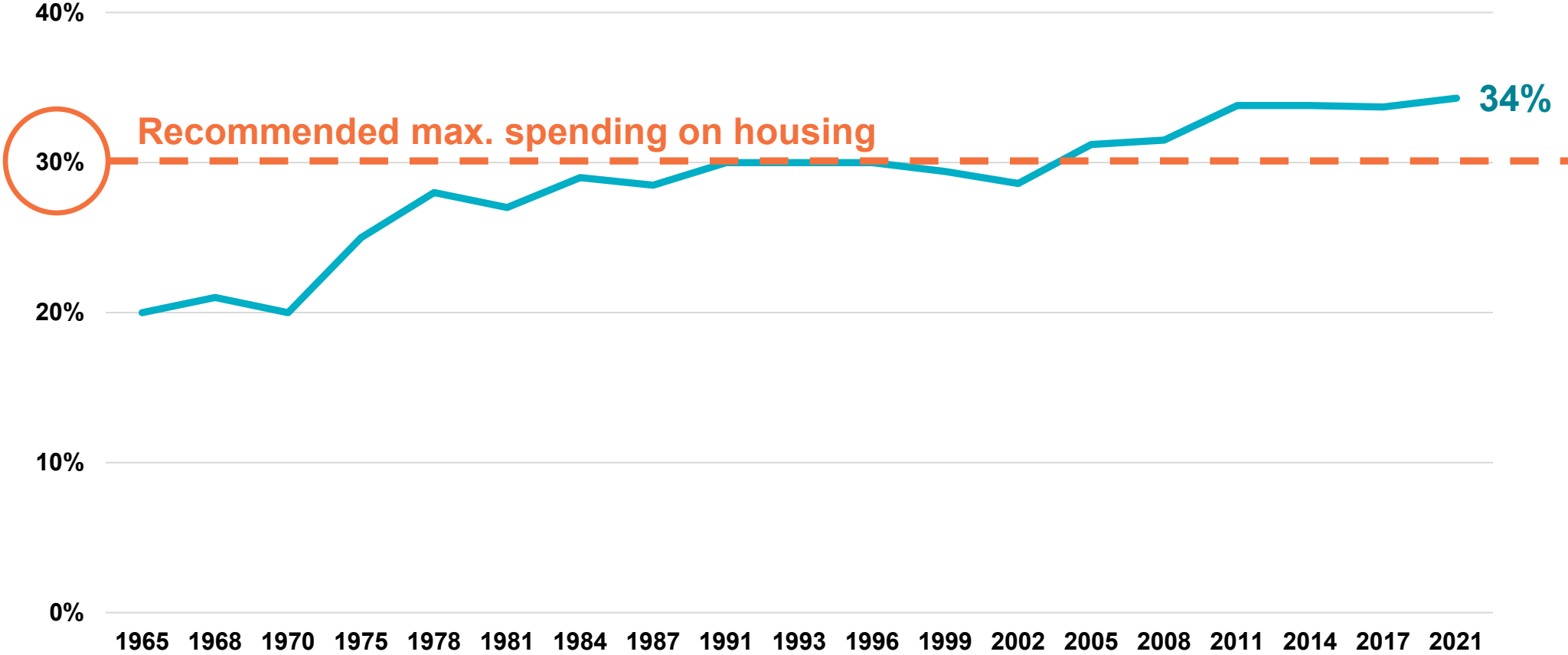
Consequences of our housing crises

- **Homelessness**
 - Lack of quality, affordable housing pushes New Yorkers out of their homes
- **Poor quality**
 - Households suffer negative housing conditions in aging and poorly maintained housing stock
- **Rent burden**
 - Households spend more on housing to stay where they are
- **Overcrowding**
 - Households increase their size to accommodate increasing costs



Housing costs are too high

Median Gross Rent to Income Ratio, 1965 – 2021



Source: NYC Housing and Vacancy Survey, 1965-2021. US Census Bureau/NYC HPD



Housing costs are too high

A 3-person family seeks housing:

Income

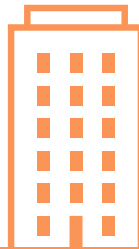


\$2,600/month

A family of 3 with a household income of \$30,000 a year *

*Annual income of full-time worker making \$15 minimum wage

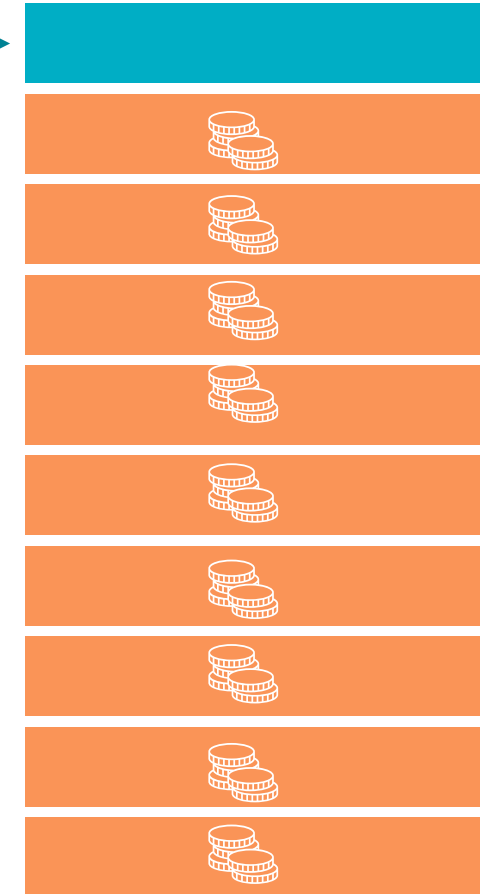
Rent



\$2,300/month

Average 2-bedroom apartment available in NYC

Remaining income: \$300



90%

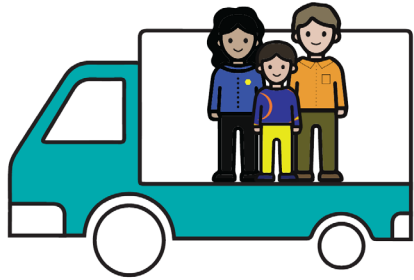
30%

Recommended max. spending on housing

Family Income Spent on Rent



There aren't enough available homes

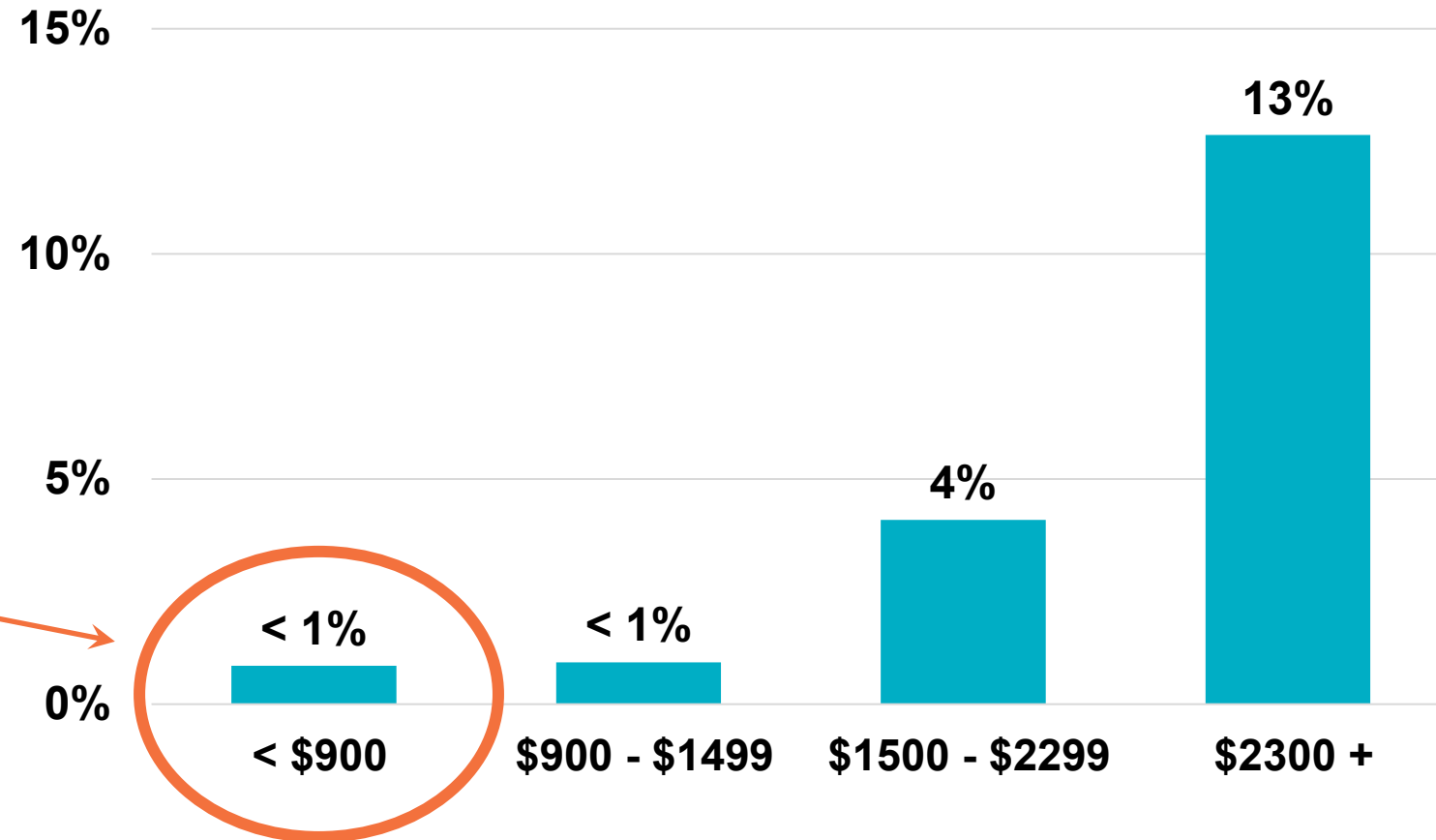


\$2,600/month

Rents affordable to our example family



Net Rental Vacancy Rate by Asking Rent

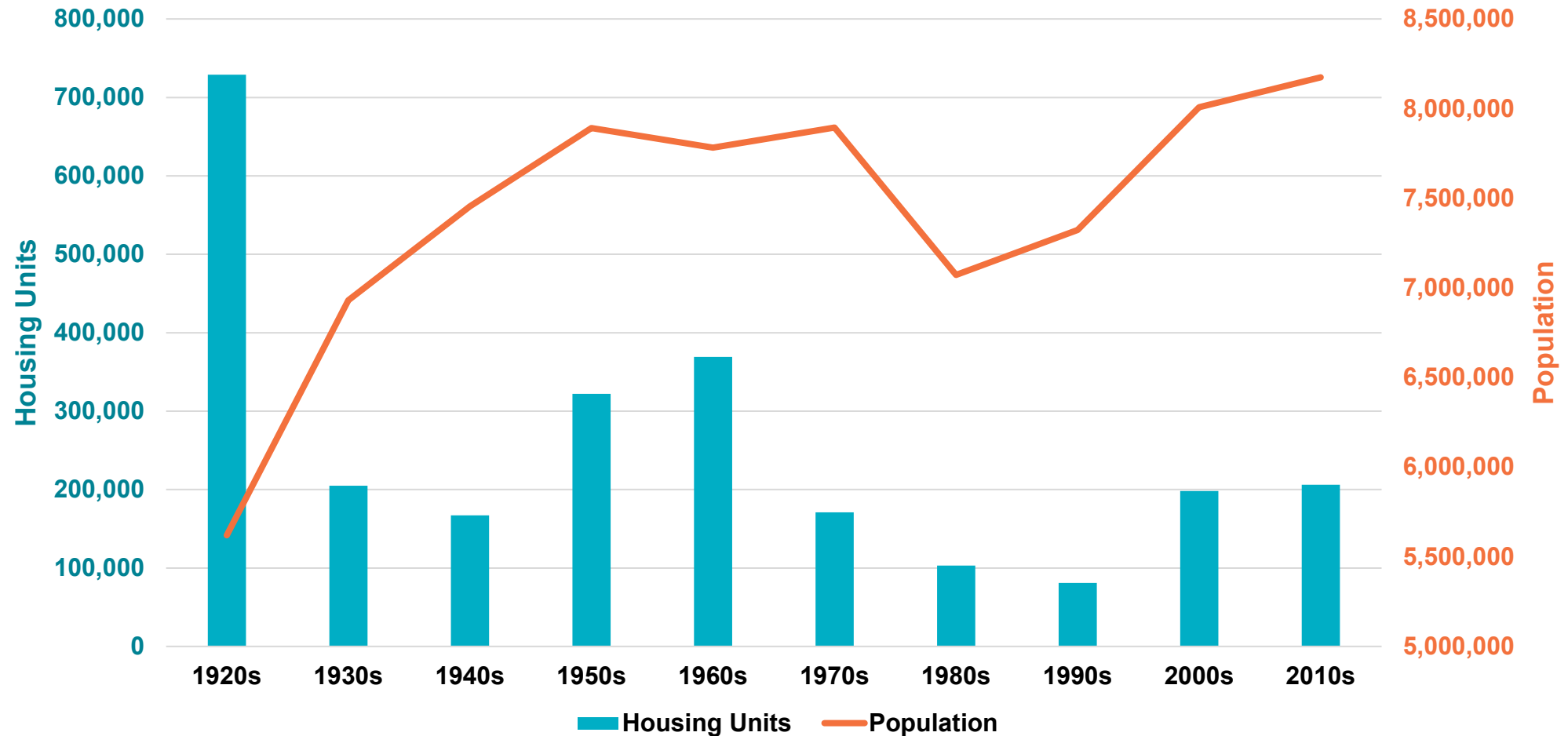


Source: NYCHVS, 2021



There aren't enough available homes

Housing Production vs. Population





There aren't enough available homes

- National trend towards smaller household sizes means we need more units overall
- At the same time, various factors limit new housing construction:
 - Rising construction costs
 - Limited vacant land
 - Current zoning
 - Opposition to new housing



50 Penn, a 218-unit 100% affordable housing development in East New York, under construction



Maintaining quality housing is expensive

- **Underinvestment in public housing**
 - NYCHA houses nearly 540,000 New Yorkers in 180,00 units
 - For decades, federal housing subsidies have favored middle class homeownership over public housing
 - NYCHA currently has \$48B in capital repair needs



NYCHA buildings and older apartment buildings in Harlem

Source: EDDE, City Council NYCHA 2023 Preliminary Fiscal Report

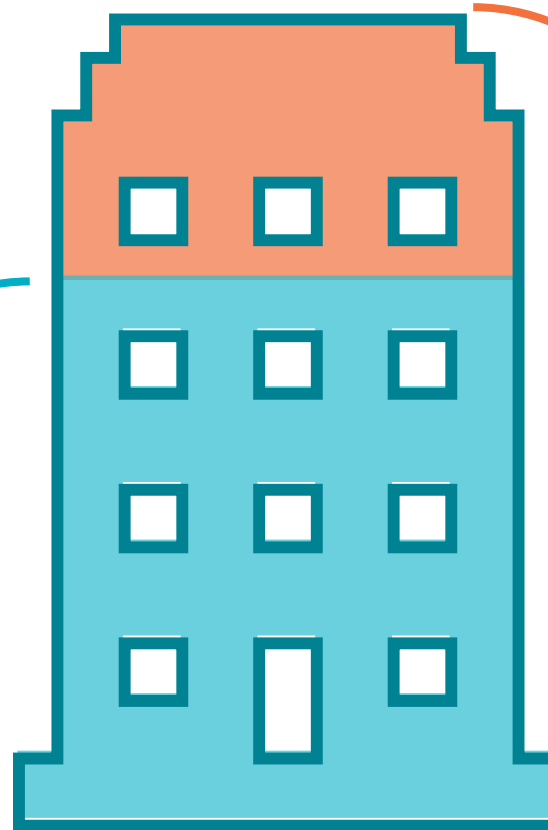


Maintaining quality housing is expensive

Minimum cost to maintain an apartment in NYC is over \$1,000 per month



Many low-income tenants can't afford rents that cover maintenance costs



Government subsidy is needed to fill the gap and prevent severe rent burden, homelessness, and unsafe housing

Average cost to operate a building is based on the Rent Guidelines Board 2022 Income and Expense Study. The average monthly O&M cost for units in stabilized buildings were \$1,035 in 2020. This includes taxes; labor; utilities; fuel; insurance; maintenance; administrative; and miscellaneous costs. Costs do not include debt service.



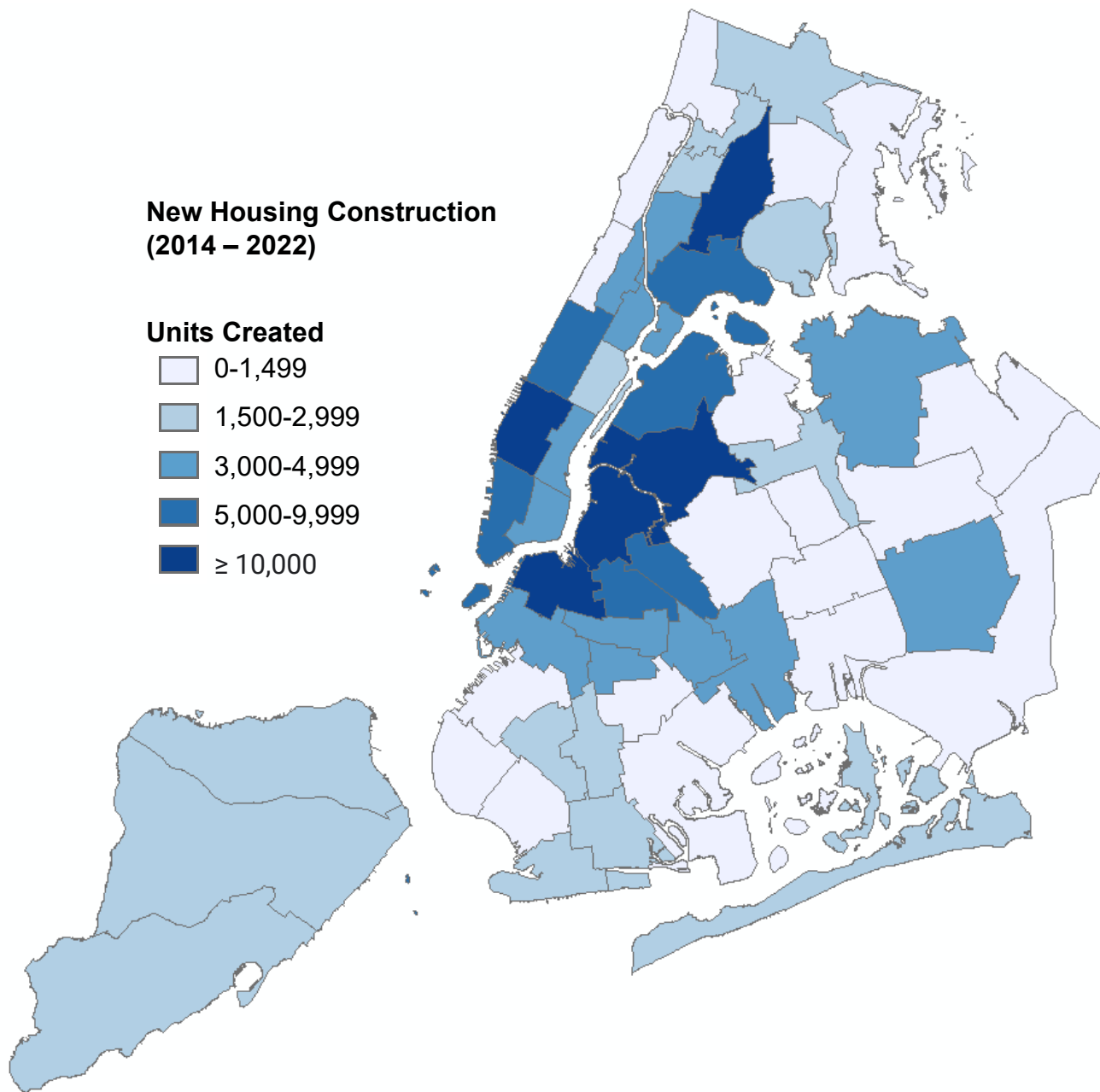
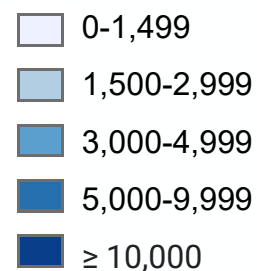
Limited housing and neighborhood choice

New housing growth is uneven

- Where homes are built affects New Yorkers' neighborhood choice
- Over 200,000 new homes built across NYC since 2014, but concentrated in a few neighborhoods
 - Brooklyn & Queens waterfront
 - West side of Manhattan
 - South Bronx
- Many communities saw almost no new housing development

New Housing Construction
(2014 – 2022)

Units Created





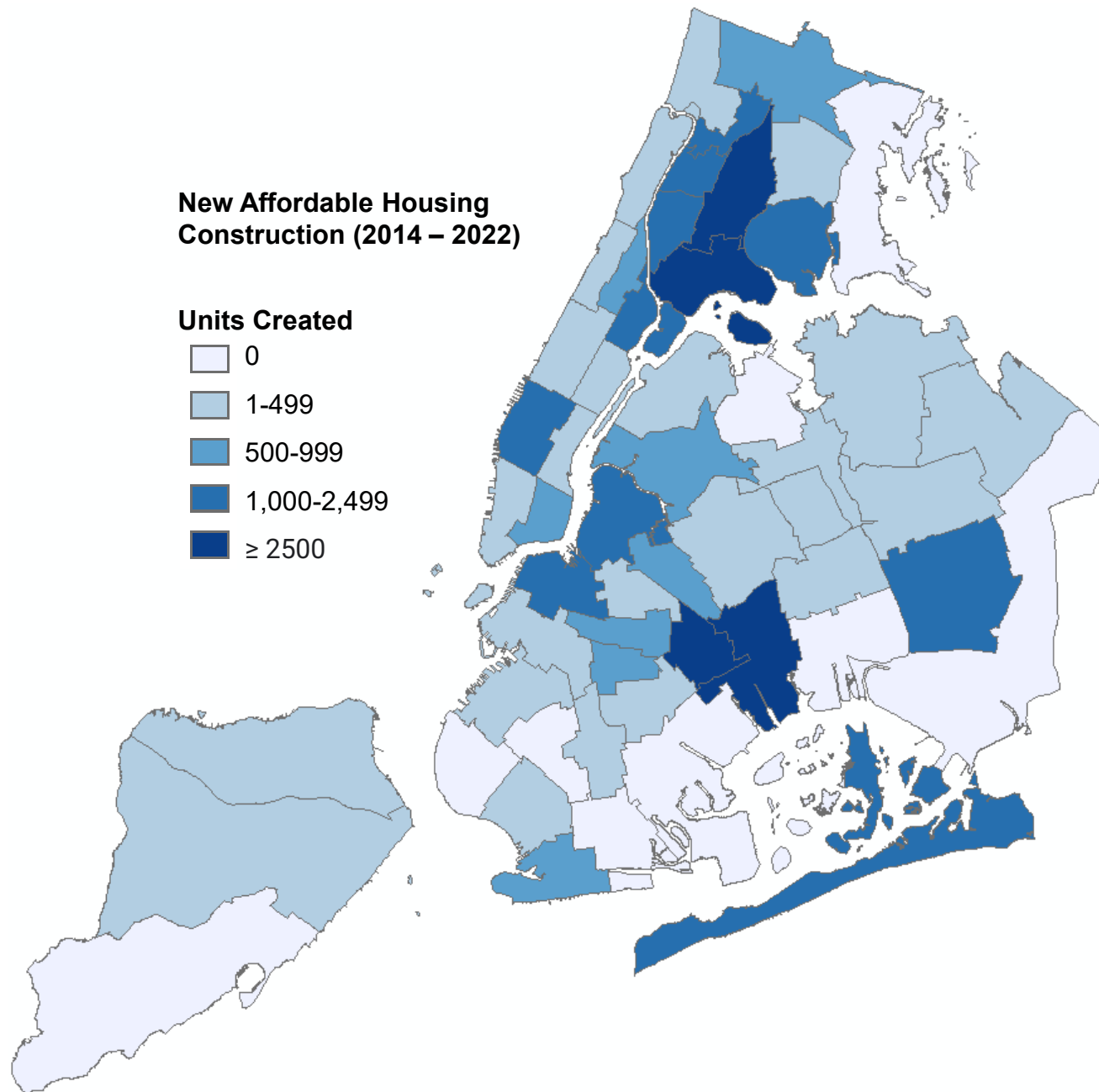
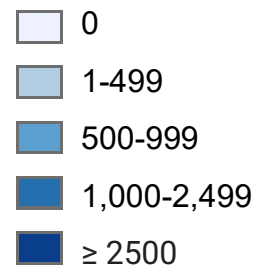
Limited housing and neighborhood choice

Affordable housing growth is also uneven

- Nearly 50,000 new affordable homes built between 2014 and 2022
- Some neighborhoods saw no new affordable housing construction
- Most new affordable housing was concentrated in neighborhoods that already have large amounts of affordable housing

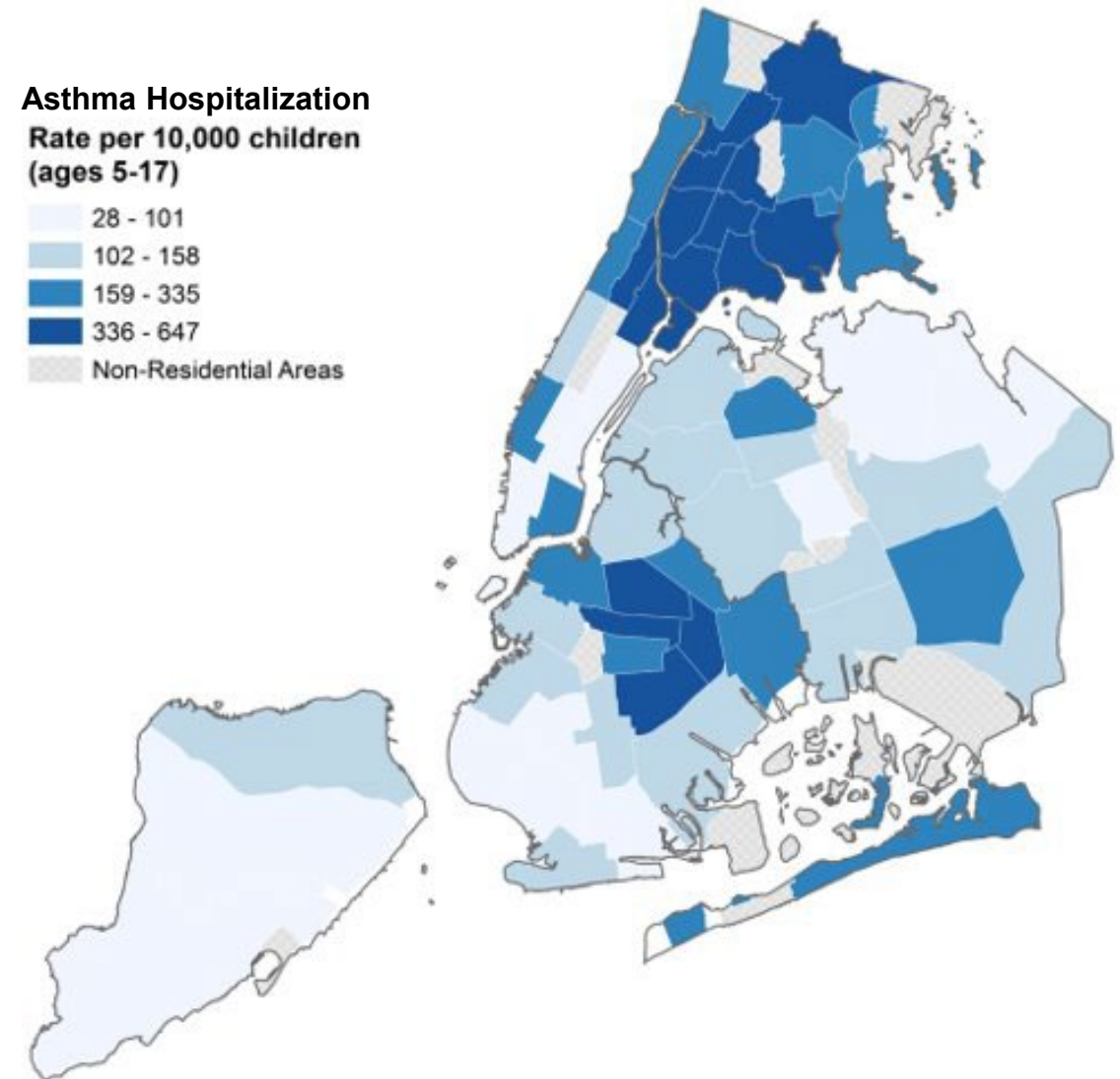
New Affordable Housing Construction (2014 – 2022)

Units Created



Negative consequences of segregation

- Concentrations of poverty
- Disparities in health & education
- Less access to financing to maintain quality housing



Source: NYC Department of Health and Mental Hygiene, Bureau of Vital Statistics, 2013–2015. From the "Community Health Profiles" public use dataset, available here: <https://www1.nyc.gov/site/doh/data/data-publications/profiles.page>.

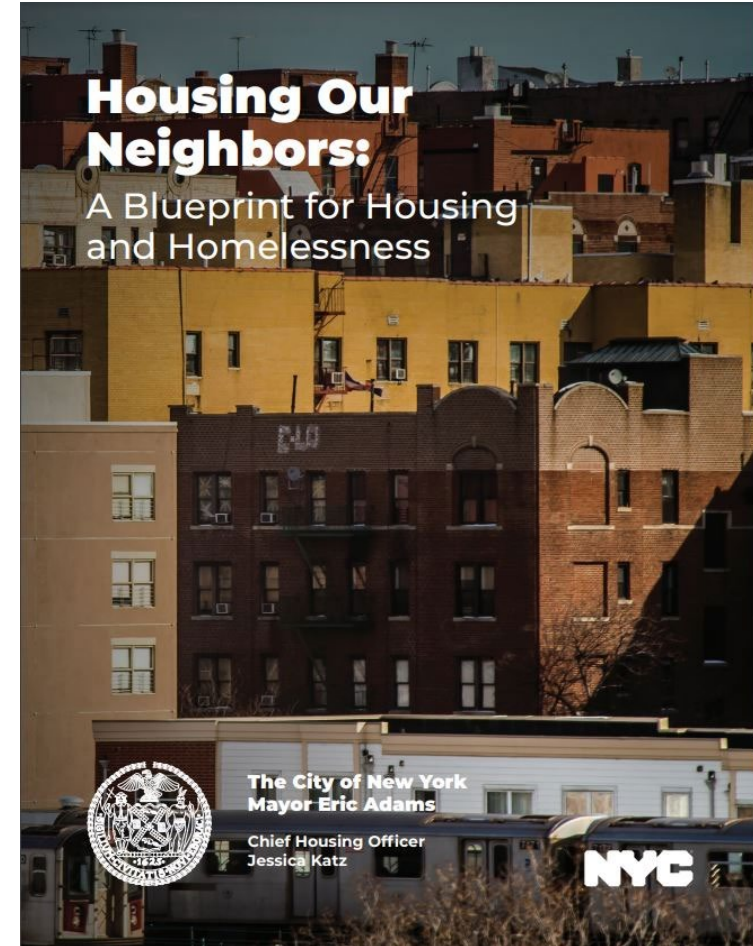
Module 2

**How is the City addressing
these crises?**

Housing Our Neighbors: A Blueprint for Housing and Homelessness

- Streamline processes to improve housing stability and new development
- Help communities build and maintain wealth through homeownership
- Address homelessness & housing instability
- Citywide zoning overhaul to encourage more affordable housing development
- Enhance local capacity to identify and address tenant harassment

Emerging strategies under the Adams Administration



HPD toolbox for housing stability and affordability

Preserving affordability

- A** Protecting tenants and supporting homeowners
Tenant eviction & harassment protection, rental assistance, and homeowner support
- B** Preserving existing affordable housing
Preservation loans and financing to maintain affordability and affordable home repair loans

Creating new affordable homes

- C** Financing affordable housing on public and private sites
Finance 100% affordable housing on city-owned land through RFP process, or in collaboration with private landowners
- D** Administering zoning and tax incentives
Zoning tools and tax incentives that leverage market-rate development to create affordable units



Protecting tenants

Tenant Education and Resources

- Tenant education & legal representation

Eviction & Harassment Protection

- Housing court support
- Combatting landlord harassment

Rental Assistance and Rent Freeze

- Emergency rental assistance & rental vouchers



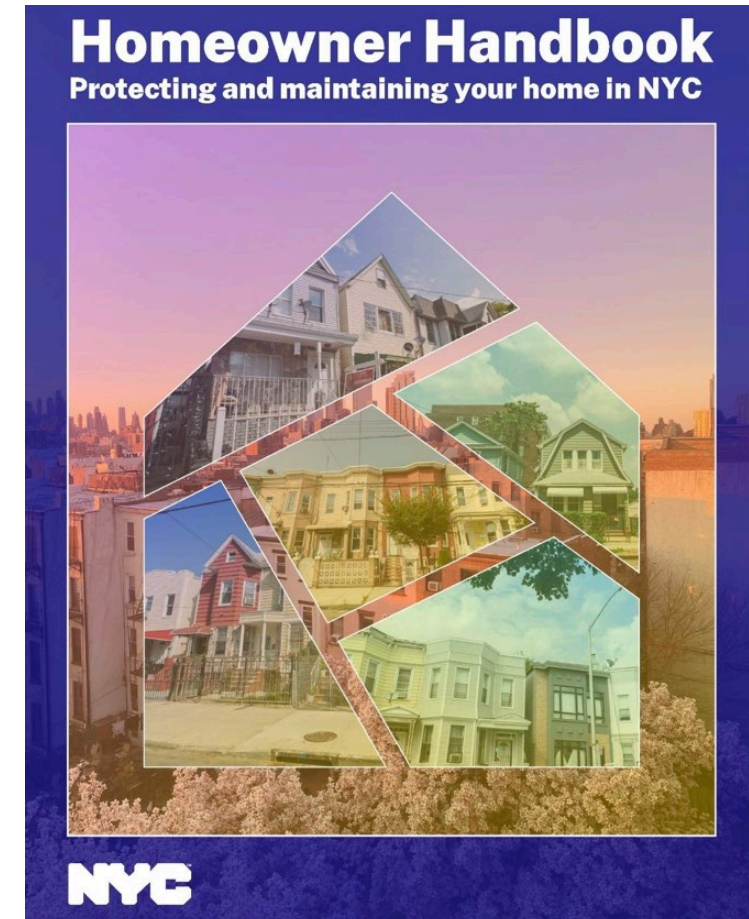
Supporting homeowners

Homeowner Handbook

- Released in 2022, the homeowner handbook helps New Yorkers navigate homeownership and access resources to protect and maintain their homes

Homeowner Help Desk

- Permanent citywide Help Desk established in 2022
- Provides homeowners with counseling, financial assistance, and legal services
- Raises awareness about the signs of deed theft and scams



Preservation financing

Finance and safeguard affordability

- 135,000 affordable homes preserved since 2014

Support low-income homeowners

- Affordable home repair loans

Promote safe and healthy housing

- Enforce housing maintenance code



Pre-renovation



Post-renovation

244 Elizabeth Street in Manhattan

This building was substantially renovated using an HPD preservation financing program called Affordable Neighborhood Cooperative Program

Creating new affordable housing

C Financing affordable housing on public & private sites

HPD finances 100% affordable housing on both public & private property

- City-owned property ➡ affordable housing developers through a Request for Proposals process
- Private property owners can approach HPD for financing if they want to build affordable housing



Chestnut Commons

274-units of 100% affordable housing in East New York opened in 2022

Creating new affordable housing in market rate developments

HPD administers zoning and tax incentives

- Mandatory Inclusionary Housing (MIH)
- Voluntary Inclusionary Housing (VIH)
- Tax incentives

Most new housing development occurs without HPD involvement

- 2 out of 3 homes built in NYC since 2014 were market rate



963 Atlantic Avenue Apartments
38 units of affordable housing within a market-rate building in Central Brooklyn

Module 3

Types of affordable housing




**What are some types of affordable
housing in NYC?**

Types of affordable housing

- **Public housing**
- **Rental subsidy ie. housing vouchers**
- **Government administered**
(HPD financed; Inclusionary Housing; tax incentives, etc)
- **Pre-1974 rent-stabilized**
- **Unregulated housing (some may be considered affordable)**








Tools that make or keep housing affordable

Tool		Benefit
	Income restriction	Income-based eligibility that aims to ensure that subsidies go to households that need them
	Rent stabilization	Protection from sudden rent increases that may cause financial hardship or displacement
	Rent burden protection	If a household's income decreases, rent will remain at 30% of their income

Affordable housing types and associated tools

	Public housing	Rental voucher	Government administered	Pre-1974 rent stabilized	Unregulated housing
					
Income restrictions					
Rent stabilization					
Rent burden protection					

Affordable housing types and associated tools

	Public housing	Rental voucher	Government administered	Pre-1974 rent stabilized	Unregulated housing
					
Income restrictions					
Rent stabilization					
Rent burden protection					

HPD

Yes
No

HPD finances new 100% affordable housing

- Where homes have affordability levels based on HPD's financing programs
- Affordability levels determine
 - Rents
 - Eligible incomes
- *How are rents and eligible incomes determined?* **HUD's Income Limits**



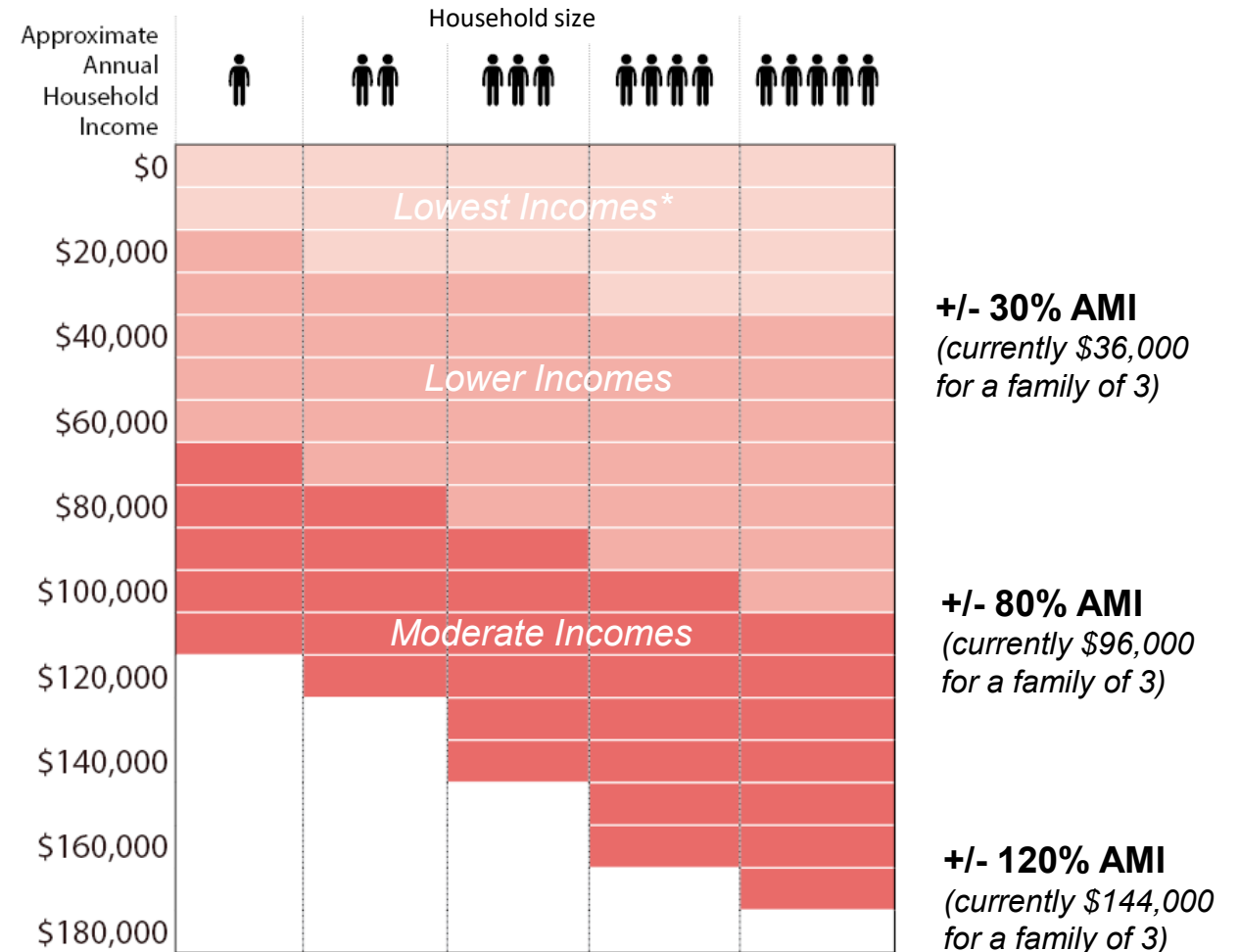
HPD financed 100% affordable housing above the Sunset Park Library in Brooklyn

How are affordable rents and eligible incomes determined?

- Income limits (or AMIs) are set each year at the federal level by U.S. Housing and Urban Development (HUD)
- HPD mostly finances projects for households earning up to 80% AMI
- Income eligibility is related to household size

**15% of units in HPD-financed rental buildings are reserved for lowest income households coming from shelter*

Approximate income limits for HPD's financing programs
(2022 HUD Income Limits)



Rents & incomes at Victory Commons

- 100% affordable, income-restricted development in Morrisania, The Bronx
 - Affordable to lower incomes: 30% - 80% AMI
- 79 rental units on Housing Connect
 - Studios, 1-, 2- and 3- bedrooms
- Housing lottery opened April 14 2023

Source: "Victory Commons aka Victory Baptist." NYC Housing Connect



Rendering of affordable housing at Victory Commons aka Victory Baptist in Morrisania, The Bronx

Victory Commons

1-bedroom apartments



1-bedroom apartment



30% AMI

50% AMI

80% AMI

Rents

\$520

\$920

\$1,640

Income limits

1-person household



\$30,000

\$45,000

\$75,000

3-person household



\$35,000

\$60,000

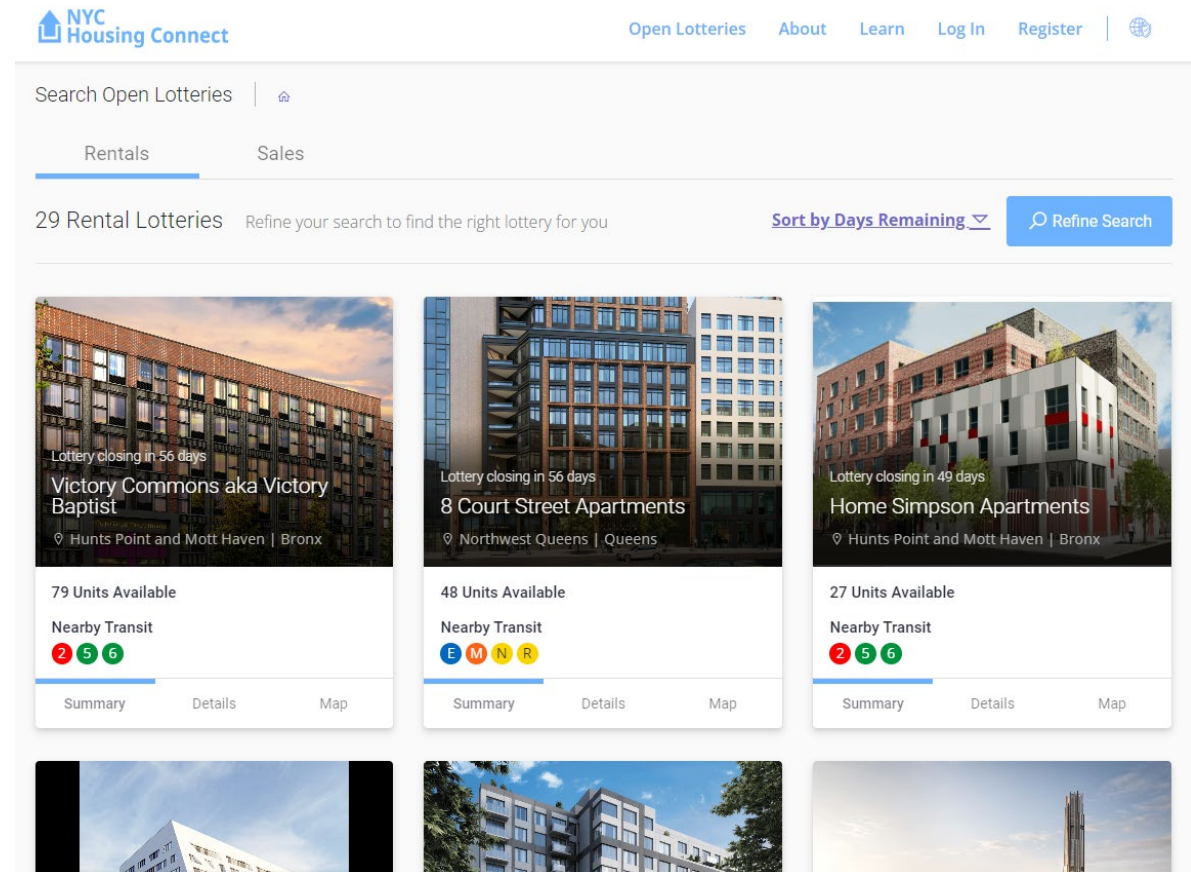
\$95,000

* These rents and incomes are based on previous year's HUD Income Limits

Using the NYC's housing lottery

- NYC Housing Connect website includes open lotteries for rentals and ownership opportunities
- Available in different languages
- Simple one-click application process
- Housing Ambassadors Program available to help New Yorkers apply

<https://housingconnect.nyc.gov>



Conclusion

Recap

- NYC is facing overlapping housing crises
- HPD and other City agencies have programs to protect tenants, preserve existing affordable housing and create new affordable housing
- Affordable housing is relative and comes in many forms
- HPD finances and administers affordable housing



Where can I find data about affordable housing?

- **Equitable Development Data Explorer (launched 2022!)**
- **Reports “new housing units with regulatory agreements since 2014”**
 - HPD financed, MIH, etc
- **Broken out by income categories (AMI)**
- **Citywide, borough, community districts**

EquitableExplorer.planning.nyc.gov

Housing Production: Citywide

**Racial breakdowns are not available for Housing Production.*

Total population	Asian Non-Hispanic	Black Non-Hispanic	Hispanic	White Non-Hispanic
Table 4.02.T				
Units With Regulatory Agreements Since 2014 By Area Median Income (AMI) Band				
	NYC HOUSING PRESERVATION AND DEVELOPMENT, 2021			
	NEW CONSTRUCTION		PRESERVATION	
	NUMBER		NUMBER	
Total	67,255		135,579	
Extremely low-income (0-30% AMI)	14,898		18,180	
Very low-income (31-50% AMI)	8,565		52,218	
Low-income (51-80% AMI)	29,187		47,301	
Moderate-income (81-120% AMI)	4,604		7,879	
Middle-income (121-165% AMI)	9,702		9,408	
High-income (166% or higher AMI)	0		0	

Coming soon...

Join us for Fair Housing 101 next week!

- Wednesday, April 26th at 12 PM

Affordable Housing and Fair Housing: Evening Series

- Affordable Housing 101: Tuesday, May 2nd at 6 PM
- Fair Housing 101: Tuesday, May 9th at 6 PM

*Registration for all events at NYC Civic
Engagement Commission's website*



Thank you!

Questions?

Contact: rudoyc@hpd.nyc.gov

